

Model Policy for the Negotiation, Approval, Implementation, and Oversight of Outside Sponsorships

July 26, 2017 Draft

UnKoch My Campus

PURPOSE

[University/College Name] appreciates and depends upon generous gifts from outside sponsors. Sometimes financial sponsors request to restrict their gifts, meaning the university is expected to comply with certain conditions outlined by the donor in order to receive the gift. To protect the interests of the institution and ensure that such gifts do not violate academic freedom or faculty governance, this policy outlines:

1. the authority of a Faculty Committee on Outside Sponsorships to review and have final approval of all restricted gifts;
2. the necessary principles by which restricted gifts should be vetted for approval;
3. the necessary principles by which new and current academic programs and affiliate centers or institutes sponsored by restricted donations should operate after approval;
4. the consequences of not following this policy

GENERAL OBSERVATIONS

Today, almost all academic programs are heavily reliant on donations from individuals, foundations, the government, and private industry for their survival. However, recent controversies have highlighted the concerning nature of certain conditions that have been attached to donor agreements-- including conditions that require secrecy, violate standard faculty governance procedures, and threaten academic freedom of both faculty and students.

According to Cornell University's *Faculty Statement Of Principles & Best Practices Concerning Strategic Corporate Alliances*, transparency and openness are significant steps towards reassuring those who fear the effect of outside financial sponsorship on the autonomy and integrity of the university-- allowing the community to see for itself what is permitted – and forbidden – under the terms of an alliance is essential.

Furthermore, according to the American Association of University Professor's (AAUP) *Recommended Principles on Academy-Industry Engagement*, "the university must preserve the primacy of shared academic governance in establishing campus-wide policies for planning, developing, implementing, monitoring, and assessing all donor agreements and collaborations, whether with private industry, government, or nonprofit groups. Faculty, not outside sponsors, should retain majority control over the campus management of such agreements and collaborations."

The AAUP also suggests, “the university must preserve its academic autonomy—including the academic freedom rights of faculty, students, postdoctoral fellows, and academic professionals—in all its relationships with industry and other funding sources by maintaining majority academic control over joint academy-industry committees and exclusive academic control over core academic functions (such as faculty research evaluations, faculty hiring and promotion decisions, classroom teaching, curriculum development, and course content).”

With this understanding, it is the expectation of any entity raising money for or on behalf of [University/College Name] to comply with this policy’s expectation of transparency, even if this policy expects greater transparency than required by the law or other standard fundraising practices. It is also the expectation of all responsible parties, including but not limited to: the faculty, the Office of University Advancement, the university administration, and prospective donors, to respect the faculty’s authority to best enforce the principles of academic freedom and shared governance when dealing with funding from outside sponsors.

PRINCIPLES AND BEST PRACTICES

1. *Faculty Approval: The faculty, through its representatives, should play the ultimate decisionmaking role in the approval of restricted gifts and the oversight of academic programs financed through restricted gifts.*

a. NEGOTIATION & APPROVAL

- i. No restricted gift or grant with curricular impact shall be accepted without the approval of the Faculty Committee on Outside Sponsorships
- ii. The Faculty Committee on Outside Sponsorships is responsible for using this policy to guide their analysis of all restricted gifts and grants with curricular impact to ensure the gifts/grants do not provide donors with undue influence over the programs they are funding, violate standards of academic freedom or faculty governance, or threaten the integrity of the institution

b. IMPLEMENTATION & OVERSIGHT

- i. All programs, centers, or institutes are subject to yearly review by the Faculty Committee on Outside Sponsorships
- ii. Within three years of the adoption of this policy, all existing programs, centers, or institutes currently supported through restricted gifts must be assessed by the Faculty Committee on Outside Sponsorships to ensure compliance with the principles outlined in this policy

2. *Institutional Autonomy: The autonomy the program, center, or institute being funded by a restricted gift must be safeguarded.*

a. NEGOTIATION & APPROVAL

- i. No restricted gift or grant with curricular impact shall allow a donor to withdraw their funding.

- ii. No restricted gift or grant with curricular impact shall allow the donor the opportunity divide a pledge into annual payments subject to donor approval upon review of the program, center, or institute's previous year's programming or hires.

- b. **IMPLEMENTATION & OVERSIGHT**

- i. If the committee identifies institutionalized donor influence that appears to violate the autonomy of an academic unit, the committee will be responsible for making a proposal to the Faculty Senate requesting a plan to rectify any institutionalized bias within the unit.
- ii. If the committee identifies institutionalized donor influence that appears to violate the autonomy of a center or institute, the committee will be responsible for making a proposal to the Faculty Senate requesting the center or institute undergo a restructuring process or disaffiliate from the university.

3. *Hiring: Decisionmaking authority over the hiring of faculty with funds from a restricted gift must remain with the university faculty and abide by standard faculty governance procedures.*

- a. **NEGOTIATION & APPROVAL**

- i. No restricted gift or grant with curricular impact shall allow the donor to have voting rights over who can be hired by the program, center, or institute they are interested in financially supporting
- ii. No restricted gift or grant with curricular impact shall be contingent on the hiring or retention of specific faculty, deans, or directors of academic programs, centers, or institutes

- b. **IMPLEMENTATION & OVERSIGHT**

- i. All faculty, research staff, and scholars hired within a program, center, or institute funded through a restricted gift or grant with curricular impact must be hired using standard hiring procedures
- ii. All faculty, research staff, and scholars hired within a program, center, or institute funded through a restricted gift or grant with curricular impact must disclose any present or potential Conflicts of Interest related to the donor behind the gift/grant

4. *Curriculum: Decisionmaking authority over curriculum, or programs with curricular impact, must remain with university faculty and abide by standard faculty governance procedures.*

- a. **NEGOTIATION & APPROVAL**

- i. No restricted gift or grant with curricular impact shall be contingent upon the introduction or creation of new curriculum, certificate programs, minors, or majors

- ii. No restricted gift or grant with curricular impact shall be contingent upon the retention of current curricular offerings, certificate programs, minors, or majors
 - iii. No restricted gift or grant with curricular impact shall be contingent upon the requirement of certain content within the university's curriculum
- b. **IMPLEMENTATION & OVERSIGHT**
 - i. All curriculum or programs with a curricular impact within a program, center, or institute funded through a restricted gift or grant with curricular impact must be developed using standard curriculum development procedures
 - ii. Details of the development and offering of curriculum by a program, center, or institute that is funded through a restricted gift or grant with curricular impact must be provided in a yearly report that will be reviewed by the Faculty Committee on Outside Sponsorships

5. *Student Impact: The autonomy of student programming within a program, center, or institute being funded by a restricted gift, and the personal information of students within those programs, must be safeguarded.*

- a. **NEGOTIATION & APPROVAL**
 - i. No restricted gift or grant with curricular impact shall allow or be contingent upon the ability of the donor to screen student recipients of funding
 - ii. No restricted gift or grant with curricular impact shall allow or be contingent upon the ability of the donor to review, approve, or reject the dissertation topics of Ph.D. fellowships
 - iii. No restricted gift or grant with curricular impact shall allow or be contingent upon the ability of donors to approve reading lists or curricular content of student groups their funding supports
 - iv. No restricted gift or grant with curricular impact shall allow or be contingent upon the donor receiving student contact information
- b. **IMPLEMENTATION & OVERSIGHT**
 - i. The recipients of graduate student funding must be determined using standard governance procedures
 - ii. The recipients of Ph.D. fellowships and their dissertation topics must be determined using standard governance procedures
 - iii. No faculty may share private student contact information with donors without consent from that student
 - iv. Details of the student programming offered by a program, center, or institute must be provided in a yearly report that will be reviewed by the Faculty Committee on Outside Sponsorships

6. *Reputation: The reputation of the institution must be safeguarded from negative consequences that may come with the acceptance of a restricted gift.*

- a. **NEGOTIATION & APPROVAL**
 - i. This committee has the authority to reject a restricted gift or grant with curricular impact based on the existence, or appearance, of impropriety.
- b. **IMPLEMENTATION & OVERSIGHT**
 - i. If the committee identifies the existence or appearance of impropriety within an existing academic unit, the committee will be responsible for making a proposal to the Faculty Senate requesting a plan to rectify said impropriety within the unit.
 - ii. If the committee identifies the existence or appearance of impropriety within an existing center or institute, the committee will be responsible for making a proposal to the Faculty Senate requesting the center or institute undergo a restructuring process or disaffiliate from the university.

7. Transparency: The terms and conditions of a restricted gift must be transparent to the public.

- a. **NEGOTIATION & APPROVAL**
 - i. No restricted gift or grant with curricular impact shall be accepted and recorded if the donor is not willing to make their contribution, and the terms of their agreement, public. A donor who demands confidentiality may only make an unrestricted donation to this institution.
 - ii. No agreement that is attached to a restricted gift or grant with curricular impact may include a clause that requires the university to keep the existence or contents of their agreement secret.
 - iii. No agreement that is attached to a restricted gift or grant with curricular impact may include a clause that allows the donor to approve the text of any proposed publicity of the agreement
- b. **IMPLEMENTATION & OVERSIGHT**
 - i. Once a restricted gift or grant with curricular impact has been finally approved by the faculty, the terms of the gift should be made available to the public and remain public for the lifetime of the program, center, or institute that is being funded.
 - ii. The Office of University Advancement will be responsible for the creation and maintenance of an online database that houses all approved and recorded agreements that are attached to a restricted gift or grant with curricular impact.

CONSEQUENCES

A restricted gift that is considered by the Faculty Committee on Outside Sponsorships to violate the principles listed above will be declined. Gifts may have to be declined under certain circumstances, including, but not limited to, the following:

1. the gift or grant is restricted in such a way that would require support from other resources that are unavailable, inadequate, or needed for other institutional purposes;

2. the gift or grant is restricted in such a way that it would support a purpose or program peripheral to existing principal purposes of the institution, or create or perpetuate programs or obligations, which would dissipate resources or deflect energies from other programs or purposes;
3. the gift or grant would limit, or tend to limit, the academic freedom of the university;
4. the gift or grant would limit, or tend to limit, the exercise of proper faculty governance standards;
5. the gift or grant would injure the reputation or standing of the university, or generate such controversy as to substantially frustrate and defeat the educational purpose to be served.

The Office of University Advancement may take the reasons for rejection of the gift/grant back to the donor to negotiate changes in the agreement, but such changes must be approved by the Faculty Committee on Outside Sponsorships before the it can be accepted and recorded.

If the Faculty Committee on Outside Sponsorships determines that an academic unit, center, or institute is not complying with the principles outlined above, the committee will be responsible for making a proposal to the Faculty Senate requesting a plan to address their noncompliance.

RESPONSIBILITIES

See "Model University Gift Acceptance Policy"